

TAX HINTS — THE LIAISON LINK

To Promote Practitioner-IRS partnerships

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Much has happened since our July issue and this **Tax Hints—The Liaison Link** is packed with information and updates for you. Our incredible Nationwide Tax Forums team managed the most successful Forum season ever and, as always, much of the credit goes to you: our stakeholders who pushed attendance figures (see page 14) to a new high. IRS partnership with several member organizations led to insightful viewpoints and stimulating discussions in seminars hosted by NATP, NSTP, NSA, NAEA and AICPA. Our sincerest thanks to all who attended and a special note of gratitude to the many of you who came up to IRS staff at Forums to offer your compliments. One attendee told an IRS staff member that he had attended every Forum and 2004 was the best ever.



Enjoy some photos from this year's Forums, featured throughout this issue of your **Link**.



Since our last issue, as many of you know, Beanna Whitlock left the Service to return to the tax professional community and her private practice. In her place, on October 4, we welcomed as Acting National Public Liaison Division (NPL) Director, Paul Mamo, who joined us after spending the past four years working in IRS's Electronic Tax Administration organization. Paul served as the Chief of IRS's E-Government (e-gov) Program Office in ETA, working with OMB, Treasury and other government representatives to develop and implement a variety of citizen-focused e-government initiatives. Paul also recently served as the Portfolio Manager for the Government to Citizen (G2C) Initiatives, working in OMB's Office of Electronic Government and IT office. Paul oversaw the President's Management Agenda G2C e-gov projects and helped to design, develop and implement several PMA initiatives, DoEd's GovLoans.gov, for example. At NPL, Paul hit the ground running; he says he's getting up to speed on the broad spectrum of NPL work and invites you to contact him and get acquainted, either at (202) 622-2117 or at paul.j.mamo@irs.gov.

As usual, this **Link** brings you a wealth of information to help tax professionals in their practices. In addition to our regular features this issue brings you vital information on state e-filing data profiles (page 5), the updated Form 656 for Offer-in-Compromise (page 6), tax relief from Hurricane Ivan (page 13), and much more. Your feedback and comments continue to shape this publication—please keep those emails coming! Remember, the next **Link** is the annual Tax Hints issue, due January 2005.



Commissioner Deborah Nolan, Large & Mid-Size Business

The Large and Midsize Business Division (LMSB) serves 155,000 of America's largest corporate and partnership entities—businesses with assets of over \$10 million. Our customers' tax issues are among the most complex, and collectively their annual tax liability approaches \$200 billion. LMSB ably serves these taxpayers with a highly-skilled 6,200 person workforce, over 5,000 of whom work directly with taxpayers conducting audits and performing technical examinations.

Since our standup in 2000, LMSB has relied on tax practitioner and business stakeholder groups for input and guidance on a broad range of administrative and procedural issues. We are very grateful for the time, insight and support stakeholders have provided and I take this opportunity to thank you personally and on behalf of LMSB. I look forward to working together with you in the year ahead to promote effective tax administration.

Commissioner Mark Everson has emphasized on many occasions the importance of balancing excellent service to taxpayers with fair, effective enforcement of the tax law, and modernizing our business systems, work processes and approaches for the greatest possible effectiveness. LMSB has made good progress in these areas. Again, I think much of our progress has come about with stakeholder help. Let me touch briefly on a few areas of critical focus for LMSB.

Combating the growth of abusive tax shelters has been and continues to be our single highest enforcement priority. LMSB has developed a multi-faceted compliance strategy that focuses on learning about existing and new abusive transactions, identifying shelter investors and promoters, and stepping up enforcement activities.

Globalization is another significant area of focus. LMSB has been and will be working to ensure the proper tax

treatment of exchanges of goods and services among corporations and their subsidiaries.

Many of our efforts over recent years have been focused on improving our audit currency and coverage, and reducing the time needed to complete audits. While we've achieved strong results, this year we will run a pilot test of an entirely different concept, one in which we'll be assessing the level of compliance *during* the filing year as opposed to waiting until after the returns are filed. The pilot initially will be limited to a very small number of taxpayers. If it proves successful we will expand the program to include additional taxpayers.

We also have developed new tools for issue resolution and reducing burden on taxpayers. These include pre-filing agreements, Fast Track, as well as our Limited Issue Focused Examination program.

In 2004 we introduced corporate E-file, allowing our corporate taxpayers, for the first time ever, to file returns electronically. In 2005 we expect to introduce additional technology improvements and service enhancements, so stay tuned.

Finally, this year we introduced a new corporate tax form known as M-3 which will be a critical tool for LMSB in helping us evaluate compliance risk and identify emerging issues. You can learn more about M-3 and all our programs by visiting the [Corporations](#) page on the IRS Web site.

These are but a few examples of LMSB's many ongoing activities. Again, we are grateful for the participation and support of all stakeholders and for sharing our commitment to strengthening and improving America's tax system.



Deborah M. Nolan assumed her duties as Commissioner of the Internal Revenue Service's Large and Mid-Size Business Division in June 2003. Previously, she served as the Division's Deputy Commissioner and also led the team responsible for the design of the Division.

Deborah began her career with IRS in 1972 in California and held increasingly responsible positions in California and Hawaii. She has also served as the Assistant District Director in the Rocky Mountain District, District Director in the Connecticut-Rhode Island District and as Deputy Assistant Commissioner, International.

Deborah holds a degree in business administration from California State University and is licensed as a Certified Public Accountant in the State of California. For a brief period in the mid-1980s, she worked in a law office performing tax controversy, representation, and tax planning services.

Your 2004 Nationwide Tax Forums Summary

A big **THANK YOU** to everyone who took part in the 2004 IRS Nationwide Tax Forums, making them another resounding success as the Service's largest stakeholder outreach effort! Nearly 18,000 tax professionals attended the 46 seminars offered.

We established a new partnership with the American Institute of Certified Public Accountants and continued our current relationship with the National Association of Enrolled Agents, National Association of Tax Professionals, National Society of Accountants, and the National Society of Tax Professionals. These associations offered nine seminars.

Applying for Tax-Exempt Status Workshop was a success for the second year in a row drawing over 1,300! Once again, Practitioner Case Resolution was offered at all six Forums with 974 cases worked, 859 resolved on site, for an 88% success rate.

New for this year was the IRS e-Services Room, which was totally paperless and a remarkable success!

There were 10 focus groups held during the Tax Forums providing a unique opportunity for IRS organizations to meet with tax professionals to exchange ideas and gather candid feedback in an informal setting.

A total of 19 Exemplary Electronic Return Originators (EERO) were selected and participated at the various Forums. Each EERO was honored at the awards banquet for their accomplishments in the IRS *e-file* Program.

Plans are already in progress for the 2005 IRS Nationwide Tax Forum season. Be sure to check www.taxforuminfo.com and www.irs.gov the beginning of January 2005 for new information.



Honoring Exemplary EROs at the 2004 Nationwide Tax Forums

Atlantic City, NJ Tax Forum

Area 1 Small Business

Carl Olandt

New Britain, CT

Area 1 Large Business

Edward C. Donahue

Donahue & Associates

Cambridge, MA

Area 2 Small Business

Roger D. Chilson

Covington, PA

Orlando, FL Tax Forum

Area 2 Large Business

James B. Braswell

H & R Block

Marshville, NC

Area 3 Small Business

Mary Farrugia, EA

Pinellas Park, FL

TEC Area 1

Christopher Wiesner

PM Group Healthcare Consultants

Sandwich, MA

Minneapolis, MN Tax Forum

Area 4 Large Business

Pat Storen

Storen Tax Service

Brownsburg, IN

Area 5 Large Business

Jerome R. Marshik, CPA

Pierz, MN

TEC Area 5

Shane Woods

Squire & Co. PC

Orem, UT

New Orleans, LA Tax Forum

Area 3 Large Business

George R. Wiggins

H&R Block

Villa Rica, GA

Area 4 Small Business

Mark N. Armiri, CPA

St. Peters, MO

TEC Area 3

Alyssa B. Oliver

May & Company LLP

Vicksburg, MS

San Antonio, TX Tax Forum

TCE Area 4

Mike Williams

Wilson Hagg & Co PC

Amarillo TX

Large Business Area 7

Alan E. Hewitt

Triple Check Income Tax Service

Lancaster, CA

Small Business Area 7

Cynthia A. Wiseman, CPA

El Cajon, CA

Small Business Area 6

Sandra K. Novkov, EA

Phoenix, AZ

Las Vegas, NV Tax Forum

SPEC & TCE Area

Exceptional ERO

Tina M Kassmeier and Judy A. Bohn, CPA

Gaines & Associates PC

Norfolk, NE

1120 Pioneer Award

Lonnie Young

Wolfe, Young & Company

Castleberry, FL

E-service Pioneer

James D. Leimbach

Fairweather Enterprises

Panama City, FL

Confused about *e-filing* State Tax Returns?

Thirty eight states participate in the Federal/State electronic filing (*e-file*) program, which allows federal and state individual income tax returns to be filed at the same time.

Four states are “*stand alone*” states, choosing not to participate in the Federal/State *e-file* program. Tax return preparation software makes it relatively easy to integrate electronic filing of state returns with the federal process.

All states that impose a personal income tax now accept *e-filed* individual income tax returns, although not all of them accept nonresident or part year resident returns. All states that participate in *e-file* accept individual tax returns with balances due and all refund may be directly deposited into the taxpayer's bank account.

To participate in electronic filing a firm **must** first apply to be an electronic return originator (ERO) with the Internal Revenue Service using Form 8633. The application process may now be completed online at the IRS website www.irs.gov. Most states will automatically accept a firm as a state ERO once it is accepted as one by the IRS. This may not apply if the firm is located outside of that state. On page 21 you will find a table that shows which states follow the federal process, which have their own rules, whether nonresident and part year resident returns are accepted, and how the signature process is completed. Further information can be found at each state's website. The Federation of Tax Administrators (FTA) website has links to state tax agencies: <http://www.taxadmin.org/fta/link/default.html>.

The benefits of *e-filing* eliminates error notices from both federal and state authorities caused by data entry errors, provides confirmation that returns have been received, and lets taxpayers receiving refunds to get them in half the time it takes with paper filed returns.

Practitioners will incur additional time when starting the state *e-file* process as they ensure compliance with each state's registration requirements. Some multiple state tax returns can not be filed electronically, a disappointment for practitioners and tax

payers alike. A federal/state 1120 *e-file* program is not expected to be implemented until at least January 2006.

Many states require electronic filing or payment or both for sales and use, payroll, and excise taxes. Listed below are the states with *e-file* mandates and a brief discussion of their rules.

California: Tax professionals who prepare more than 100 individual state income tax returns per year **must** *e-file* those returns. Failure to comply may result in a \$50 penalty per noncompliant return. The penalty may be waived for reasonable cause, which includes the taxpayer's decision **not** to *e-file*. For more information, visit the California Franchise Tax Board's website <http://www.ftb.ca.gov>

Massachusetts: As of September 1, 2003, new business entities **must** file and pay all taxes electronically. Beginning January 1, 2005, corporations, partnerships and fiduciaries meeting certain thresholds are required to file and pay their taxes electronically. For detailed information on Massachusetts electronic filing mandates, see *Technical Information Release 03-11* on the Massachusetts Department of Revenue website at <http://www.dor.state.ma.us>.

Michigan: Tax professionals who prepare 200 or more individual income tax returns **must** *e-file* all eligible individual returns. All Single Business Tax (SBT) returns **must** be *e-filed* if computer software is used to prepare these returns. For more information check out the Michigan Department of Treasury website <http://Michigan.gov/treasury>.

New Jersey: New Jersey partnership returns with 10 or more partners **must** be electronically filed. Go to the New Jersey Division of Taxation's website <http://www.state.nj.us/treasury/taxation>.

Oklahoma: Any tax return preparer, who prepared more than 50 Oklahoma individual income tax returns for the prior year, **must** file **all** Oklahoma individual income tax returns for current tax year electronically. This does **not** apply to a return upon which the taxpayer has indicated they **do not** want the return *e-filed*. The Oklahoma Tax Commission's website is at <http://www.oktax.state.ok.us>.

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New Form 656, Offer In Compromise

The *Form 656, Offer in Compromise* (OIC) package has been revised both to assist taxpayers in correctly preparing an OIC, and to reduce the time and burden associated with the process. The new revision is dated July 2004 and is now available at www.irs.gov. The hard copy package will soon be available. To order, call 1-800-TAX-FORM (1-800-829-3676).

Tax practitioners should begin using the updated version as soon as the hard copy package is available.

The May 2001 version of the Form 656 package should be destroyed once the 2004 version has been received.

The changes to the Form 656 are summarized in the following table:

What changed?	Explanation of change	Benefits of change
Item 8, paragraph (q) added	Allows the IRS to amend the Form 656 to include any omitted assessed tax periods	Prevents delays in the initial processing of the OIC
Item 13, "Paid Preparer's Use Only" section added	Asks for the paid preparers' signature, firm name and address, Centralized Authorization File number and Employer Identification Number	Assists in ensuring paid preparers are reliable and reputable
Item 14, "Third Party Designee" section added	Allows a person other than the taxpayer to discuss any additional information that the IRS needs to process the OIC	Assists in reducing OIC investigation time leading to quicker resolution of the OIC
New space on Form 656 added	There is now a designated space on the front page of Form 656 to attach the application fee payment	Reduces burden

The OIC package also contains several additional burden reduction features, as identified in the following table:

What changed?	Explanation of change	Benefits of change
New section added	Allows taxpayer to determine if they are eligible for OIC consideration at beginning of process	Making determination up front saves taxpayer from investing preparation time unnecessarily
<i>Form 656-A, Income Certification for OIC Application Fee</i> and worksheet added to OIC package	Helps taxpayers determine whether they meet the income exception to the \$150 fee	Reduces burden
Instructions clarified	Step-by-step outline of the OIC process now included	Reduces burden
Table of contents added to cover of OIC package	Previous version didn't contain a table of contents	Easier to navigate through OIC package
Summary checklist added to OIC package	Lists all necessary items required for OIC consideration	Helps prevent OIC from being returned by IRS for omitted items or

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New Form 656, Offer In Compromise Continued

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The Form 656 package redesign was intended to reduce burden. During the development of the 2004 version, the IRS consulted with practitioner groups, as well as the National Taxpayer Advocate, to obtain their suggestions. This collaborative effort resulted in several burden reduction features. The revised package now contains all the information that taxpayers need in order to prepare a complete and accurate offer. The *Form 656-A, Income Certification for OIC Application Fee* is now a part of the OIC package and allows taxpayers to determine whether they meet the income exception to the \$150 application fee without having to order the form separately. Having this form in the package should also increase the likelihood that the fee and the certification will be included with the submitted OIC. Additionally, the new "Is Your OIC Processable" section will help taxpayers quickly determine if they are eligible for OIC consideration.

The paid preparer's signature section was suggested by many tax professional organizations that were concerned about unscrupulous promoters who market the OIC program as a "*pennies on the dollar*" approach to paying off a tax debt. Intended to be an additional safeguard for taxpayers, the signature block section should assist them in ensuring that they are working with a reputable and reliable preparer.

Confused about e-filing State Tax Returns? Continued

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Virginia: Virginia's mandate is effective for 2004 returns to be filed in 2005. Tax professionals that prepared 200 or more 2003 Virginia individual income tax returns **must** file **all** 2004 individual income tax returns *e-file* (or use software with 2D barcodes). By completing a *Taxpayer Opt Out Form 8454T* providing a reason, taxpayers can decline having their returns *e-filed*. Visit the Virginia Department of Taxation website at <http://www.tax.state.va.us>.

Wisconsin: Tax professionals that prepared 10 or more Wisconsin individual income tax returns in a prior year are **required** to *e-file* individual income tax returns. The mandate does **not** apply if a taxpayer chooses to file a paper return. The Wisconsin Department of Revenue's website is <http://www.dor.state.wi.us>.



Earned Income Tax Credit and Other Las Vegas News

Excerpts taken from the Las Vegas Sun, September 16, 2004 following the last Nationwide Tax Forum held in Las Vegas. Written by: Kevin Rademacher

The Internal Revenue Service wants taxpayers to get all of the money that is coming to them as quickly as possible. At a gathering of nearly 5,600 tax preparers in Las Vegas this week, IRS officials were eager to explain the ins and outs of claiming the Earned Income Tax Credit (EITC).

To be eligible for the EITC, taxpayers must earn less than \$33,692 if they have two or more children, \$29,666 with one child or \$11,230 with no children. The income limits are \$1,000 or higher if a married couple is filing a joint return.

The maximum credit is \$4,204 for a family with two children, \$2,547 with one child and \$382 with no children. So instead of paying taxes, these low-income families can receive financial assistance with the credit.

The EITC was established in 1975 as one way to encourage people to work. With the *Continued on page 9*

Looking for the IRS

(a guide to current IRS services and locations)

It is no secret that today's IRS is a markedly different Service from our pre-RRA 98 structure. In moving away from the organizational structure of the past, the IRS has moved toward a more logical, customer-based configuration. As a result and also due to ongoing modernization efforts, many offices and business units tax professionals turned to in the past for a particular service or problem have moved, changed structure or modified practices.

Many taxpayers and tax professionals may wonder where and how to get specific services or requirements in this new—and still changing—IRS. The first part of this article presents information on common inquiries received by the IRS, arranged by topic. The second part of the article looks at additional modernization and centralization efforts underway that will affect the way tax professionals—and the Service—do business in the future.

Where should I go for...

Transcripts

E-services provide the newest, fastest and most efficient way to order transcripts. Eligible practitioners (those who have successfully e-filed 100 or more individual returns) can register online through www.irs.gov, the "Tax Professionals" page. Paper Form 4506-T is still available on IRS.gov for those tax professionals not meeting

the requirements for e-services.

Proof of Filing

Part of IRS modernization initiatives is to provide taxpayers with another way to access tax information. *Internet Refund/Fact of Filing* (IRFOF) is an internet application available to the taxpayer 24/7. It can be accessed from the IRS.gov Home Page, by clicking on "Get my Refund Status." At this time, IRFOF is available in English only. Filing information through the IRS Toll Free sites is still available.

Lien Processing

For now, tax professionals should use the current procedure: continue contacting your local lien processing office. Tax professionals can visit their nearest *Tax Assistance Office*; locations listed at <http://www.irs.gov/localcontacts/index.html>. Alternatively, practitioners can call the *Practitioner Priority Services* (PPS) Hotline at (866) 860-4259 toll free. Early next year, lien processing will be centralized and the IRS will shortly be providing information to the tax professional community as to procedures to use. Nothing will change except the telephone number and address where liens are processed.

Lien Releases

For now, tax professionals should use the current

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Schedule C-EZ Change Means Big Savings for Small Businesses

The Form 1040, Schedule C-EZ was first established in 1992. The IRS is now expanding the number of small businesses eligible to file this simplified expense form, a move that will save money and reduce paperwork burden.

The IRS will double the **business** expense threshold to \$5,000 from \$2,500 for filing the Form 1040, Schedule C-EZ. The change will mean a savings of 5 million hours of paperwork burden for small business taxpayers. The threshold change means approximately 500,000 more small businesses, a 15 % increase, will be able to file the Schedule C-EZ.

IRS Commissioner Mark W. Everson said, "This is another example of the IRS taking the lead in reducing the burden on taxpayers. The IRS's *Office of Taxpayer Burden Paperwork Reduction* is continually reviewing what steps they might take that will save money and work hours for both businesses and individuals."

Earned Income Tax Credit and Other Las Vegas News—Continued

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credit, holders of low-paying jobs don't have to worry about paying taxes, so the tax issue won't discourage them from seeking work. Nationally, about 25 % of eligible Americans are **not** taking advantage of EITC, losing out on as much as \$3 billion a year.

In other IRS news at the Las Vegas Tax Forum, IRS officials warned preparers to expect more audits. Commissioner Everson is changing things. For the first time since 1998 the commission has stepped up its enforcement budget. Specifically, Everson has allocated \$300 million, the majority of the IRS's \$490 million annual budget increase, for enforcement initiatives in its fiscal 2005 budget.

The goals of the enforcement efforts include identifying and stopping abusive tax shelters, improving ways to identify fraud, increasing the number of effectiveness of audits, and cracking down on illegal tax schemes and abusive preparers.

One such scheme involved the EITC that the IRS was touting. While officials want it used by eligible taxpayers, EITC also has become a frequent target of unscrupulous tax preparers who shift dependents from families with more than two children to those without children, artificially inflating the credit and taking a percentage of the ill-gotten gains.

According to David Tidball, a tax preparer from White House, TN, "More stringent enforcement is easier to accept when the IRS is providing direction on problem topics. It makes sense that fraud will continue to fester as long as the nation's tax code remains so complex".

"Mr. Tidball's observations fit with the IRS Commissioner's perspective that tax compliance comes from a combination of enforcement and education. If the new enforcement effort works it will close a so-called tax gap of about \$300 billion, that's the amount of tax improperly dodged by American Taxpayers", said Beanna Whitlock, former director of the National Public Liaison division of the IRS.

"That loss is made up by increased levies against the rest of the U.S. taxpayers. Moving the agency

forward in enforcement sends a message, it goes out to taxpayers and such that are not paying and it validates those that are paying," Whitlock stated.

Taxpayers who are following the rules are easily discouraged by the knowledge that others are manipulating the system. Whitlock said, "If you are going to keep people compliant, there must be enforcement."



Commissioner, IRS Executives among "Top 100"

The following excerpt is from the Sept. 20, 2004, issue of Accounting Today.

2004 Top 100 People: After major repairs, profession awaits detail work. By Bill Carlino

St. Louis -- To accurately chronicle the quantum changes that have impacted the accounting profession over the past three years would require more editorial space than an unabridged copy of Webster's Dictionary. In brief, accountants have weathered a spate of massive corporate scandals, witnessed the demise of one of the premier accounting firms in the country, suffered severe damage to the perception of the CPA brand and felt the shock waves from the landmark passage of Sarbanes-Oxley.

Now, after several years of a patient, yet massive, rebuilding effort, the profession appears poised to move ahead in its mission of flourishing amidst 21st century regulation and compliance requirements, while maintaining the *Continued on page 14*

Looking for the IRS—Continued (a guide to current IRS services and locations)

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procedure: continue contacting your local lien processing office. Tax professionals can visit their nearest Tax Assistance Office. Locations are listed at <http://www.irs.gov/localcontacts/index.html>. Alternatively, tax professionals can call the *Practitioner Priority Services Hotline* at (866) 860-4259 toll free. Centralizing lien releases will begin early next year; the IRS will shortly be providing information to the tax professional community as to procedures to use. Nothing will change except the telephone number and address where lien release requests can be made.

90 Day Notices

Each issued notice contains a contact name and phone number for questions. In addition, a link to the new “*Understanding your IRS Notice*” web site (<http://www.irs.gov/individuals/article/0,,id=96199,00.html>) is now contained on the *Tax Professionals* page on the www.irs.gov web site, which will allow taxpayer representatives to see the core text of messages without having to wait for the hard copy notice. These are “*sample*” notices, not specific to taxpayers.

Form 843, Claim for Refund and Request for Penalty Abatement

The IRS will waive certain penalties if actions taken were reasonable and in good faith or based on incorrect IRS employee advice. Requests for penalty abatement **must** be in writing and mailed to the IRS location of the originally filed return. Claims are generally worked in the IRS Campus where the return was originally filed. In situations where the original return was filed in an IRS Campus that no longer processes returns, submit claims to the most recent Campus in which a return was filed. The following link to the IRS web site gives detailed instructions on completing Form 843, *Claim for Refund and Request for Abatement*. Individuals without internet access may call 1(800) 829-1040 and request the Form 843 be mailed to them.

<http://www.irs.gov/instructions/i843/index.html>

Offer In Compromise (OIC) Processing

Most offers are processed in either the IRS Memphis or Brookhaven Campus. The appropriate Offer in Compromise unit will contact the person submit-

ting the offer if there are questions and any correspondence mailed to the taxpayer or taxpayer's representative will contain contact information. The following link to the IRS web site gives information about filing an offer, as well as detailed instructions on completing Form 656, *Offer in Compromise*. Individuals without internet access may call 1(800) 829-1040 and request the Form 656 package be mailed to them. Offers worked from field offices will contain contact information for IRS staff working the offer.

<http://www.irs.gov/businesses/small/article/0,,id=109622,00.html>

Innocent Spouse Processing

The following link to the IRS web site gives information on innocent spouse claims and contains detailed instructions on completing and filing Form 8857, *Request for Innocent Spouse Relief*. Individuals without internet access may call 1(800) 829-1040 and request the Form 8857 mailed to their address. Tax professionals may call the *Practitioner Priority Services* (PPS) Hotline at 1(866) 860-4259.

<http://www.irs.gov/individuals/innocent/article/0,,id=102176,00.html>

As the website instructs, where and how to file completed Form 8857 depends on how the claim was initiated. If a practitioner or taxpayer has been working with an IRS employee for an examination, examination appeal, or collection matter for the year for which relief is sought, file the Form 8857 and statement with that IRS employee. If not working with an IRS employee, send the Form 8857 and statement to the following address:

IRS - Stop 840-F
Innocent Spouse
PO Box 120053
Covington, KY 41012

EITC Claims

The individual circumstances of each case determine the applicability and eligibility of an EITC claim. The most complete resource for determining eligibility is contained on the IRS web site at the link listed below. Questions on correspondence received, should be directed at the IRS staffer on the correspondence. Individuals without internet access can get questions answered by calling 1(866) 860-4259.

<http://www.irs.gov/eitc>

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Looking for the IRS—Continued (a guide to current IRS services and locations)

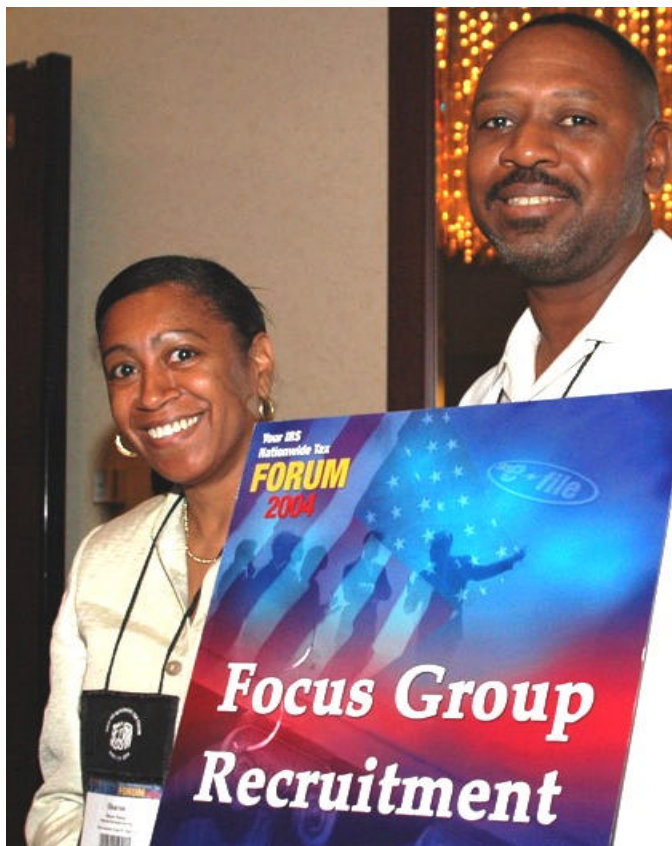
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Beyond these “*Where do I go for ...*” structural and location changes, the following is a breakout of business units where changes have occurred, some background on the changes, and what tax professionals will experience.

Small Business/Self Employed (SBSE) Division

SB/SE has redesigned the *Compliance Support* function (behind-the-scenes administrative efforts that accompany examination), collection and lien processes. *Case Processing and Insolvency* operations have been centralized, a change with minimal impact on IRS interactions with tax professionals.

Similarly, the centralization of Insolvency Clerks, paraprofessional and professional staff from over 50 locations into one campus also will improve the effectiveness and efficiency of that specialized work as well. Not all of the Insolvency work will be centralized. There will continue to be a significant presence in current Insolvency local offices; centralization will not end relationships that have developed over the years. Again, little or no impact is expected for the tax professional.



Office of Professional Responsibility (OPR)

The OPR mission is to foster excellence in tax professional service to taxpayers by setting, communicating and enforcing standards of competence, integrity and conduct. To fulfill this mission, OPR has more than doubled the staff, tripled the number of Enforcement Attorneys and added paralegal and other support personnel. OPR has also added staff to ensure that their responsibility in testing and licensing enrolled agents is accomplished efficiently. OPR can be contacted at: OPR@IRS.gov.

Criminal Investigation (CI)

The term voluntary compliance means that each of us is responsible for filing a tax return when required, and for determining and paying the correct amount of tax. Fortunately, the vast majority of Americans recognize their legal responsibility and properly report and pay their tax obligations. CI investigation efforts are directed at those taxpayers who willfully and intentionally violate this obligation. These individuals pose a serious threat to tax administration and the American economy.

In July 2000, CI became a direct line organization. Before that, CI and the field had reported to the multifunctional district directors. They had received policy guidance from Headquarters but there was no direct line authority. Since 2000 that has dramatically changed. The primary changes are that now CI reports directly to the Commissioner, there is direct line authority over the field, and referral authority has changed.

CI's Fraud Program

The General Fraud Program is CI's largest enforcement effort, covering a wide range of investigations into tax and money laundering crimes. This program includes investigations of individuals and industries from all segments of the economy, from small business owners, to self-employed, to large corporations. General Fraud cases are the main component of CI's efforts to most directly influence taxpayer compliance with the Internal Revenue Code.

General Fraud is the program from which CI identifies emerging areas of non-compliance in both *Legal Source Tax Crimes*

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Looking for the IRS—Continued (a guide to current IRS services and locations)

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and *Illegal Source Financial Crimes*. These emerging areas are instrumental in ensuring CI is focusing resources effectively to achieve its mission.

Legal Source Tax Crimes involve legal industries and legal occupations, and more specifically, legally earned income, in which the primary motive or purpose is the violation of tax statutes (*US Code Titles 26 and 18, Sections 286, 287 and 371K*). This Program also includes cases that threaten the tax system, for example, frivolous filers or non-filers, unscrupulous return preparers and the Questionable Refund Program.

The Illegal Source Financial Crimes Program recognizes that illegal source proceeds, which are a part of the untaxed underground economy, are a threat to the voluntary tax compliance system. Failure to investigate these cases would erode public confidence in the tax system. Within the guidelines of the *Illegal Source Financial Crimes Program*, CI commits resources to those investigations of proceeds derived from illegal sources other than narcotics. This program encompasses all tax and tax-related violations (*Titles 26 and 18, Sections 286, 287 and 371K*), as well as money laundering (*Title 18, Sections 1956, 1957 and 371M*) and currency violations (*Title 31*). Linked to the investigation of criminal charges within this program is also the emphasis for the effective utilization of the forfeiture statutes to deprive individuals and organizations of illegally obtained assets.

Reporting Suspicious Activity

To report information on suspected fraudulent activity, call **1(800) 829-0433**. IRS staff who take the call will forward referrals to the appropriate office. This line now also is to be used to report complaints against other tax professionals. Suspicious activity can be reported by mail to the Campus nearest your location; addresses are at www.irs.gov/file/index.html.

Small Business/Self-Employed Division offers tax professionals an avenue to report activity involving schemes. Usually schemes are perpetrated on behalf of more than one individual, are complex in nature and involve multi-layer transactions or concealing the true nature and ownership of the taxable income or assets. To report schemes by phone, call

1(866) 775-7474. Schemes can also be reported by email to: irs.tax.shelter.hotline@irs.gov

To report a scheme by mail or by fax, please use the "Referral Form for Reporting Abusive Tax Promotions and/or Promoters", found at:

www.irs.gov/pub/irs-utl/referralfom_reportingabusinveschemes.pdf

Section 6103 prohibits unauthorized disclosure of information; specifics of actions taken, investigations and proceedings will not be disclosed to the informant.

The information in this article was assembled by the staff of National Public Liaison (NPL), a division of IRS Communication and Liaison (C&L). Additional information about NPL can be found at:

<http://www.irs.gov/taxpros/index.html>

<http://cl.no.irs.gov/npl/index.htm>



IRS Grants Tax Relief for Hurricane Ivan Victims

Special tax relief for taxpayers in presidentially-declared Disaster Areas of four Gulf Coast states struck by Hurricane Ivan—Alabama, Florida, Louisiana and Mississippi—was announced on September 22, 2004

These taxpayers generally will have until December 30 to file tax returns and submit tax payments. The IRS will abate interest and any late filing or late payment penalties that would apply. This relief included the September 15th due date for estimated taxes and for calendar-year corporate returns with automatic extensions.

The disaster areas include:

- **12 Alabama counties:** Baldwin, Butler, Clarke, Coffee, Conecuh, Covington, Crenshaw, Escambia, Geneva, Mobile, Monroe and Washington;
- **16 Florida counties:** Bay, Calhoun, Escambia, Franklin, Gadsden, Gulf, Holmes, Jackson, Leon, Liberty, Okaloosa, Santa Rosa, Taylor, Wakulla, Walton and Washington;
- **8 Louisiana parishes:** Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Charles, St. Tammany and Terrebonne; and
- **10 Mississippi counties:** Clarke, George, Greene, Hancock, Harrison, Jackson, Lauderdale, Perry, Stone and Wayne.

Among the tax relief details:

- The Federal Tax Deposit (FTD) Penalty Waiver Period for employment and excise tax deposits is September 13 – October 1, 2004.
- The Extension Period for returns and other tax payments is September 13 – December 30, 2004.
- The Disaster Designation for this area is “Hurricane Ivan;” taxpayers mark certain relief-related forms with this designation in red.

Affected taxpayers include individuals and businesses located in the disaster area, those whose tax records are located in the disaster area, and relief workers. The same relief will also apply to any other areas later added to those areas mentioned here.

Affected taxpayers have until the last day of the Extension Period to file most tax returns, including partnership and S-corporation returns, or to make tax payments, including estimated tax payments, that have either an original or extended due date falling within this period. The IRS will abate interest and any late filing or late payment penalties that would apply during these dates to returns or payments subject to these extensions.

Affected taxpayers also have until the last day of the Extension Period to perform certain other time-sensitive actions described in *Treasury Regulation § 301.7508A-1(c)(1)* and *Rev. Proc. 2004-13, 2004-4 I.R.B. 335*, that are due to be performed during this Period. This relief includes the filing of Form 5500 series returns, in the manner described in *section 8 of Rev. Proc. 2004-13*. This extension to file and pay does **not** apply to information returns in the W-2, 1098, 1099 or 5498 series, nor to Forms 1042-S or 8027, nor to employment and excise tax deposits. However, the IRS may abate penalties on such deposits for affected taxpayers due to reasonable cause during the FTD Penalty Waiver Period, provided they make the payment by the last day of that period. Taxpayers whose specific disaster-related circumstances prevent them from making tax deposits within that period may seek penalty abatements on a case-by-case basis.

To qualify for this relief, affected taxpayers should put the assigned Disaster Designation in red ink at the top of the return, *except* for Form 5500, where filers should check Box D in Part 1 and attach a statement, following the form’s instructions. Individuals or businesses located in the disaster area—or taxpayers outside the area that were directly affected by this disaster—should contact the IRS if they receive penalties for filing returns or paying taxes late.

Affected taxpayers in these disaster areas have the option of claiming disaster-related casualty losses on their federal income tax return for either this year or last year. Claiming the loss on an original or amended return for last year will

Continued on page 14

IRS Grants Tax Relief for Hurricane Ivan Victims—Continued

Continued from page 13

get the taxpayer an earlier refund, but waiting to claim the loss on this year's return could result in a greater tax saving, depending on other income factors.

Individuals may deduct personal property losses that are not covered by insurance or other reimbursements, but they **must** first subtract \$100 for each casualty event and then subtract ten percent of their adjusted gross income from their total casualty losses for the year. For details on figuring a casualty loss deduction, see IRS Publication 547, "*Casualties, Disasters and Thefts*."

Affected taxpayers claiming the disaster loss on a last year's return should put the Disaster Designation in **red** ink at the top of the form so that the IRS can expedite the processing of the refund.

The IRS will waive the usual fees and expedite requests for copies of previously filed tax returns for affected taxpayers who need them to apply for benefits or to file amended returns claiming casualty losses. Such taxpayers should put the assigned Disaster Designation in **red** ink at the top of Form 4506, "*Request for Copy of Tax Return*," or Form 4506-T, "*Request for Transcript of Tax Return*," as appropriate, and submit it to the IRS.

Affected taxpayers who are contacted by the IRS on a collection or examination matter should explain how the disaster impacts them so that the IRS can give appropriate consideration to their case.

Taxpayers may download disaster-related forms and publications from the IRS Web site at www.irs.gov or may order them by calling 1-800-TAX-FORM (1-800-829-3676). The IRS toll-free number for general tax questions is 1-800-829-1040.

Commissioner, IRS Executives Among "Top 100"—Continued

Continued from page 9

mantle of the "*most trusted advisor*."

As a result of recent events, many of our "Top 100 Most Influential" members weighed in with their views on what concrete steps they would take to improve the profession in a post-rebuilding movement. Suggestions from our 2004 Top 100 were as varied as their respective backgrounds.

[Excerpted from article]

Mark Everson Commissioner, IRS

In his first year on the job, Everson has made his mark as the nation's top tax collector with his commitment to fixing the IRS modernization program and strengthening enforcement while respecting taxpayer rights.

Career Highlights: Commissioner, IRS, 2003-present ... Deputy Director for Management, Office of Management and Budget, 2002-2003 ... Controller, Office of Federal Financial Management, 2001-2002 ... Group vice president of finance, SC International Services Inc. ... Financial and operating positions, Pechiney Group, 1988-1998 ... U.S. Information Agency and Department of Justice, 1982-1988 ... Arthur Andersen & Co.

Education: New York University Business School, MS Accounting ... Yale University, New Haven, Conn., BA History.

Personal: Born Sept. 10, 1954, New York ... Married to Nanette ... Two children.

Terence H. Lutes Associate Chief Information Officer, IRS

Lutes is the key player in the e-filing revolution, and a leader in the development of international tax data standards.

Career Highlights: Associate CIO, Modernization and Information Technology Services, IRS, 2004-present; director, Electronic Tax Administration, 2001-2004; director, Martinsburg Computing Center, 2000-2001; director, Electronic Program Operations, 1997-1999; assistant service center director, Cincinnati, 1996.

Continued on page 15

Commissioner, IRS Executives among "Top 100"—Continued

Continued from page 14

assistant district director, Cincinnati District, 1994-1995; executive candidate, 1993-1994; chief positions, South Carolina, Wisconsin, California; various branch and division, Washington, 1980-1993; chief, Training Branch, Wichita District, 1977-1980 ... Human resource specialist, U.S. Air Force, 1970-1977.

Other Affiliations: Senior Executives Association ... World Future Society ... Chair, E-Service Subcommittee, Organization for Economic Co-operation and Development.

Education: University of Colorado, Boulder, 1975, MPA ... Eastern Kentucky University, Richmond, 1970, BA.

Personal: Born Feb. 13, 1949, Jackson, Ky. ... Married to Terri ... Two children ... Leisure pursuits - golf and reading.

Nina E. Olson

National taxpayer advocate, IRS

An independent voice within the IRS, Olson oversees a nationwide system of taxpayer advocates to assure that tax problems that have not been resolved through normal channels are promptly and fairly handled. Olson's Taxpayer Advocate Service also identifies issues that increase the burden on or create problems for taxpayers, and makes suggestions in her twice-yearly reports to Congress.

Career Highlights: National Taxpayer Advocate, IRS, 2001-present ... Adjunct professor, Georgetown University Law Center ... Adjunct professor, Virginia Commonwealth University ... Adjunct professor, College of William and Mary School of Law ... Adjunct professor, University of Richmond School of Law ... Owner, Accounting, Tax & Information Services, 1975-1991.

Other Affiliations: Founder and past executive director, Community Tax Law Project, 1992 ... Past chair, Special Committee on Access to Legal Services, Virginia State Bar ... Past chair, Section of Taxation, Low Income Taxpayers Committee, American Bar Association.

Education: Georgetown University Law Center, Washington, LLM ... North Carolina Central University School of Law, 1991, JD ... Bryn Mawr College, Bryn Mawr, Pa., 1975, BA.

Personal: Born in Philadelphia.



IRS Announces Senior Leadership Appointments



- On August 4, the following executive selections were made in SB/SE: Director, Examination, Steve Burgess, Director, Collection, Brady Bennett, Director, Specialty Programs, Bill Conlon, Director, Compliance Services Campus Operations, Bobby Hunt.

In addition several other executive selections were announced by SB/SE: Director, Fraud/Bank Secrecy Act, Steve Kesselman, Director, TEC, Sherrill Fields, Director, Strategy and Resources Management, Pam LaRue, and Transition Executive, Debbie Gascard.

- Effective September 5, Nancy J. Marks assumed the position of Division Counsel/Associate Chief Counsel in Tax Exempt and Government Entries.

Taxpayer Identification Number (TIN) Matching

TIN Matching is part of a suite of internet based pre-filing e-services that allow "authorized payers" the opportunity to match 1099 payee information against IRS records prior to filing information returns. An authorized payer is one who has filed information returns with the IRS in at least one of the two past tax years. *Interactive TIN Matching* will accept up to 25 payee TIN/Name combinations on-screen while *Bulk TIN Matching* will allow up to 100,000 payee TIN/Name combinations to be matched via a text file submission.

Both programs will:

- Match the payee W-9 name and TIN with IRS records
- Decrease backup withholding and penalty notices
- Reduce the error rate in TIN validation

The TIN Matching system is accessible 24 hours a day, 7 days a week. Support services include an on-line tutorial to assist customers with the registration, application and TIN Matching process. E-services customer assistants are also available toll-free at 1-866-255-0654, 8:30 a.m. to 7:00 p.m., EST, Monday through Friday.

E-services users must register to have access to products such as TIN Matching. For more information, visit the e-services page on www.irs.gov.

Tax Talk Today

November 9, 2004: "Payroll Prep for the Year End"

This program picks up where the July program ended and will focus on the most common issues encountered in getting ready to issue Forms W-2 and 1099. Representatives from the major payroll associations and the Social Security Administration will join the IRS panel to discuss ways to make the year-end process go as smoothly as possible, focusing on electronic filing of W-2s and 1099s. The IRS is working on a new Form 941 and you will receive the latest information on it.

December 14, 2004: "Get Ready for Filing Season 2005" (Part 1)

January 11, 2005: "Get Ready for Filing Season 2005" (Part 2)

If you miss these programs, or others that were previously aired, you can still watch them from the Tax Talk Today archive. Go to:

<http://www.taxtalktoday.tv/index.cfm?page=8.532>

Monthly web casts are the second Tuesday of each month from 2 p.m. to 3 p.m. ET. See:

<http://www.taxtalktoday.tv/viewpage.cfm?pgname=8.71>

Attention Enrolled Agents—Earn CPE Credit:

Tax Talk Today is approved by the IRS for CPE credit. Earn 1 CPE credit for each contact hour by either watching each Tax Talk Today via Live web-cast (based on a 50 minute credit hour), or Archived web-cast/VHS (Non-interactive Self Study based on a 100 minute credit hour).



2004 Tax Calendars

The third quarter of a calendar year is made up of October, November and December

October				
1st	General Tax Calendar	Corporations	Deposit the remaining 20% of the third installment of estimated income tax for 2004. At least 80% of the third installment was due on September 15.	
12th	General Tax Calendar	Employees who work for tips.	If you receive \$20 or more in tips during September, report them to your employer.	You can use Form 4070.
14th	Excise Tax Calendar	Regular method taxes. (Special September deposit rule).	Deposit the tax for the last 5 days (4 days if required to make deposits using EFTPS) of September.	
15th	Employer's Tax Calendar	Social security, Medicare, and withheld income tax.	If the monthly deposit rule applies, deposit the tax for payments in September.	
15th	Employer's Tax Calendar	Non-payroll withholding.	If the monthly deposit rule applies, (deposit the tax for payments in September.	
15th	General Tax Calendar	Individuals.	File a 2003 income tax return and pay any tax, interest, and penalties due if you were given an additional 2-month extension.	
15th	General Tax Calendar	Partnerships.	File a 2003 calendar year return (Form 1065). This due date applies only if you were given an additional 3-month extension. Provide each partner with a copy of Schedule K-1 (Form 1065) or a substitute Schedule K-1.	
15th	General Tax Calendar	Electing large partnerships.	File a 2003 calendar year return (Form 1065-B). This due date applies only if you were given an additional 3-month extension. See March 15 for the due date for furnishing Schedules K-1 or substitute Schedules K-1 to the partners.	
27th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method.	Deposit the tax included in amounts billed or tickets sold during the first 15 days of September.	
29th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the last 15 days in September.	

2004 Tax Calendars—Continued

The third quarter of a calendar year is made up of October, November, and December

November				
1st	Employer's Tax Calendar	Social security, Medicare, and withheld income tax.	File Form 941 for the third quarter of 2004. Deposit any un-deposited tax. (If your tax liability is less than \$2,500, you can pay it in full with a timely filed return.) If you deposited the tax for the quarter in full and on time, you have until November 10 to file the return.	If you deposited the tax for the quarter in full and on time, you have until August 10 to file the return.
1st	Employer's Tax Calendar	Federal unemployment tax.	Deposit the tax owed through September if more than \$100.	
November Curing	Employer's Tax Calendar	Income tax withholding.	Ask employees whose withholding allowances will be different in 2005 to fill out a new Form W-4.	If you use a fiscal year as your plan year, file the form by the last day of the seventh month after the plan year ends.
November Curing	Employer's Tax Calendar	Earned income credit.	Ask each eligible employee who wants to receive advance payments of the earned income credit during the year 2005 to fill out a Form W-5. A new Form W-5 must be filled out each year before any payments are made.	
1st	Excise Tax Calendar	Wagering tax.	File Form 730 and pay the tax on wagers accepted during September.	
1st	Excise Tax Calendar	Heavy highway vehicle use tax.	File Form 2290 and pay the tax (or first installment) for vehicles first used in September.	
1st	Excise Tax Calendar	Form 720 taxes.	File Form 720 and pay the tax on wagers accepted during September.	
10th	General Tax Calendar	Employees who work for tips.	If you receive \$20 or more in tips during October, report them to your employer.	You can use Form 4070.
10th	Employer's Tax Calendar	Social security, Medicare, and withheld income tax.	File form 941 for the third quarter of 2004.	This due date applies only if you deposited the tax for the quarter in full and on time.
10th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method.	Deposit the tax included in amounts billed or tickets sold during the first 15 days of October.	

2004 Tax Calendars—Continued

The third quarter of a calendar year is made up of October, November, and December

November (cont)

12th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the last 16 days in October.	
15th	Employer's Tax Calendar	Social security, Medicare, and withheld income tax.	If the monthly deposit rule applies, deposit the tax for payments in October.	
15th	Employer's Tax Calendar	Non-payroll withholding.	If the monthly deposit rule applies, (deposit the tax for payments in September.	
26th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method.	Deposit the tax included in amounts billed or tickets sold during the last 16 days of October.	
29th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the first 15 days in November.	
30th	Excise Tax Calendar	Wagering tax.	File Form 730 and pay the tax on wagers accepted during October.	
30th	Excise Tax Calendar	Heavy highway vehicle use tax.	File Form 2290 and pay the tax (or first installment) for vehicles first used in October.	

December

10th	General Tax Calendar	Employees who work for tips.	If you receive \$20 or more in tips during November, report them to your employer.	You can use Form 4070.
10th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method.	Deposit the tax included in amounts billed or tickets sold during the first 15 days of November.	
14th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the last 15 days of November.	
15th	Employer's Tax Calendar	Social security, Medicare, and withheld income tax.	If the monthly deposit rule applies, deposit the tax for payments in November.	
15th	Employer's Tax Calendar	Non-payroll withholding.	If the monthly deposit rule applies, (deposit the tax for payments in November.	

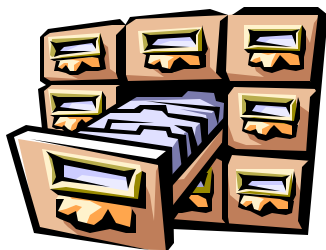
2004 Tax Calendars—Continued

The third quarter of a calendar year is made up of October, November, and December

December (cont)

15th	General Tax Calendar	Corporations	Deposit the fourth installment of estimated income tax for 2004.	A worksheet, Form 1120-W is available to help you estimate your tax for the year.
28th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method.	Deposit the tax included in amounts billed or tickets sold during the last 15 days of November.	
29th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the first 15 days of.	

Taxing Trivia and Quotes



Test your knowledge (see answers below)

- In what year did the IRS first use computers?
- In what year was the Office of Director of Practice established?
- What month and year were withholding of tax at the source (from wages) re-established and federal tax advance estimates and payments required?

Who said? (see answers below)

- “The taxpayer—that’s someone who works for the federal government but doesn’t have to take a civil service examination.”
- “All taxes are a drag on economic growth. It’s only a question of degree.”

Pothinus: Is it possible that Caesar, the conqueror of the world, has time to occupy himself with such a trifle as our taxes?

Caesar: My friend, taxes are the chief business of a conqueror of the world.

George Bernard Shaw
("Caesar and Cleopatra")

(1958, IBM, 650), (1953), (June, 1943), (Ronald Reagan), (Alan Green-
span).

Confused about *e-filing* State Tax Returns? - Continued

Continued from page 5

State *e-filing* Individual Income Tax Returns

State	Fed/State Program?	Application Process?	Nonresident and Part Year Returns?		Signature Document
			Nonresident	Part Year	
Alabama	Yes	Automatic when accepted by IRS	No	No	ERO keeps
Alaska	No tax				
Arizona	Yes	Send IRS application/approval	Yes	Yes	Mail
Arkansas	Yes	Automatic when accepted by IRS	Yes	Yes	ERO keeps
California	No	State has own form	Yes	Yes	ERO keeps
Colorado	Yes	Automatic when accepted by IRS	Yes	Yes	ERO keeps
Connecticut	Yes	Automatic when accepted by IRS	No	No	ERO keeps
Delaware	Yes	Automatic when accepted by IRS	Yes	Yes	ERO keeps
DC	Yes	Automatic when accepted by IRS	N/A	No	ERO keeps
Florida	No tax				
Georgia	Yes	Automatic when accepted by IRS	Yes	Yes	ERO keeps
Hawaii	Yes	Automatic when accepted by IRS	No	No	N/A
Idaho	Yes	Automatic when accepted by IRS	Yes	Yes	N/A
Illinois	Yes	State has own form	Yes	Yes	ERO keeps
Indiana	Yes	Automatic when accepted by IRS	No	No	ERO keeps
Iowa	Yes	Automatic when accepted by IRS	Yes	Yes	ERO keeps
Kansas	Yes	Automatic when accepted by IRS	Yes	Yes	N/A
Kentucky	Yes	Automatic when accepted by IRS	No	No	ERO keeps
Louisiana	Yes	Send IRS application/approval	No	No	ERO keeps
Maine	No	Automatic when accepted by IRS	Yes	Yes	ERO keeps
Maryland	Yes	Automatic when accepted by IRS	Yes	Yes	ERO keeps

Continued on page 22

Confused about *e-filing* State Tax Returns? - Continued

Continued from page 21

State *e-filing* Individual Income Tax Returns

State	Fed/State Program?	Application Process?	Nonresident and Part Year Returns?		Signature Document
			Nonresident	Part Year	
Massachusetts	No	State has own form	Yes	No	Mail
Michigan	Yes	Automatic when accepted by IRS	Yes	Yes	N/A
Minnesota	No	Automatic when accepted by IRS	Yes	Yes	N/A
Mississippi	Yes	Automatic when accepted by IRS	Yes	Yes	ERO keeps
Missouri	Yes	Automatic when accepted by IRS	Yes	Yes	ERO keeps
Montana	Yes	Automatic when accepted by IRS	No	Yes	N/A
Nebraska	Yes	Automatic when accepted by IRS	Yes	Yes	ERO keeps
Nevada	No tax				
New Hampshire	No tax				
New Jersey	Yes	Automatic when accepted by IRS	No	No	Mail
New Mexico	Yes	Automatic when accepted by IRS	No	No	ERO keeps
New York	Yes	State has own form	Yes	Yes	Mail or PIN
North Carolina	Yes	Automatic when accepted by IRS	Yes	Yes	N/A
North Dakota	Yes	State has own form	Yes	Yes	ERO keeps
Ohio	Yes	Automatic when accepted by IRS	Yes	Yes	ERO keeps
Oklahoma	Yes	Automatic when accepted by IRS	No	No	ERO keeps
Oregon	Yes	Automatic when accepted by IRS	Yes	Yes	Federal PIN
Pennsylvania	Yes	Send IRS application/approval	Yes	Yes	ERO keeps
Rhode Island	Yes	Automatic when accepted by IRS	No	No	ERO keeps
South Carolina	Yes	Automatic when accepted by IRS	Yes	Yes	ERO keeps

Continued on page 23

Confused about *e-filing* State Tax Returns? - Continued

Continued from page 22

State *e-filing* Individual Income Tax Returns

State	Fed/State Program?	Application Process?	Nonresident and Part Year Returns?		Signature Document
			Nonresident	Part Year	
South Dakota	No tax				
Tennessee	No tax				
Texas	No tax				
Utah	Yes	Send IRS application/approval	Yes	Yes	Federal PIN
Vermont	Yes	Automatic when accepted by IRS	Yes	Yes	ERO keeps
Virginia	Yes	Automatic when accepted by IRS	Yes		ERO keeps
Washington	No tax				
West Virginia	Yes	Send IRS application/approval	No	No	ERO keeps
Wisconsin	Yes	Send IRS application/approval	No	No	N/A
Wyoming	No tax				

Practitioner Priority Service—your first point of contact

Our Practitioner Priority Service (PPS) is a professional support line (1.866.860.4259) staffed by IRS customer service representatives specially trained to handle practitioners' account questions.

PPS, a toll-free, accounts-related service, is your first point of contact for help with account-related issues. Call weekdays, 7:30 am - 5:30 pm local time (except Alaska and Hawaii on Pacific Time).

Questions on client's individual tax accounts (IMF) are handled by one of three campus sites:

- Brookhaven, NY
- Memphis, TN
- Philadelphia, PA

Questions on client's business accounts (BMF) are handled by two campus sites:

- Cincinnati, OH
- Ogden, UT

Calls are routed based on the lowest expected wait time. Issues outside PPS scope of authority are transferred or referred to responsible IRS functions.



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Let us hear from you: We welcome your comments. Please send them to the address below. **Tax Hints-The Liaison Link** is only available for download from our Web site. We cannot provide printed copies.

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www.gerard.j.ruelle@irs.gov

Letters to the Editor

One of our readers (thanks, Gerta!) mentioned that contacting us was not easy. Our apologies to all of you who may have tried. Here are some ways you can send us your comments or suggested topics.

The long way around:

Go to www.irs.gov

- Click on the Tax Professionals Page
- Click on IRS Resource
- Click on Administration Information and Resources
- Click on Give Us Your Thoughts
- Click on Want to leave a comment?
- Type your e-mail address
- Type your comments.

OR

The short cut:

Go to www.irs.gov

- Type
www.irs.gov/help/page/0,,id=13148,00.html
- Type your e-mail address
- Type your comments.

Why not save the link as one of your favorites so that we here at Tax Hints—The Liaison Link can hear from you on a regular basis.

OR

The super short cut:

Contact **Joy** directly at:
joy.p.hill@irs.gov
(404) 338-8842

Contact **Jerry** directly at:
gerard.j.ruelle@irs.gov
(202) 622-6051

We take this opportunity to thank those of you who have read *Tax Hints-The Liaison Link* and provided feedback. Our aim is to bring you the kind of publication that you will look forward to, use and enjoy. Please let us know what else we may do to improve future issues.

Joy Hill

Jerry Ruelle



The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.



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Department of the Treasury
Internal Revenue Service

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